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GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

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Minimum Wage Will Increase January 1st

Montpelier, Vt. -- Vermont's minimum wage will increase from \$7.68 to \$8.06 per hour on January 1, Governor Jim Douglas announced today.

Vermont's minimum wage increases at the same rate as the August Consumer Price Index (CPI) each year or five percent, whichever is smaller. The CPI increased for the period September 1 2007, August 31, 2008 was 5.4%. The increase to the minimum wage was therefore set at 5%.

At the Governor's request, in 2005 the General Assembly approved an annual cost of living increase in the minimum wage law.

"I urged the Legislature to support both a minimum wage increase and linking future increases to the cost of living," the Governor said. "This is a much-needed increase to those on the lowest end of the pay scale and will make a difference for working families struggling to make ends meet."

The automatic adjustment also ended the periodic, often divisive, debates in the Legislature over raising the minimum wage.

The basic wage for tipped employees will also increase from \$3.72 to \$3.91 per hour. Service or tipped employees are individuals working in places who customarily and regularly receive more than \$120.00 a month in tips for direct and personal service.

Tipped employees', like other workers, total earnings during a pay period must equal or exceed \$8.06 per hour. If a combination of tips and the basic wage do not meet that requirement, the employer makes up the difference.

Anyone with a question about the minimum wage can visit the Department of Labor online at www.labor.vermont.gov or contact the Department of Labor, Wage and Hour program at 802-828-0267.

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